



Comprehensive Infrastructure Agreement Amendment Approval Form

Contract Between:

Northrop Grumman Information Technology, Inc.

Eighth and Main Building

707 E Main St

Richmond, Virginia 23219

and

Virginia Information Technologies Agency

110 South Seventh Street

Richmond, Virginia, 23219

Contract Number	VA-051114-NG
Change Control Number	12
Section(s) of CIA Referenced – Identify section(s) of CIA modified, including Attachments and Schedules	Section 7.0 of Schedule 10.1
Description of Approved Contract Change – Provide a brief description of contract change	Modification of language to clarify the Parties' understanding re: treatment of Managed Employee costs and expenses during different Phases of Agreement.

In accordance with Section 27.5 Amendments, and pursuant to the mutual agreement of the parties, this AGREEMENT is modified as follows:

7.0 Managed Employees

In accordance with Section 8.1.2 of the Agreement, each month during the Term Vendor shall reimburse the Commonwealth for the cost to the Commonwealth of employing the Managed Employees and providing their services to Vendor, including salaries, incentive compensation, benefits (e.g., vacation and holiday accruals, VRS Retirement Contributions, Social Security, Medicare, Group Life, Annual Employer Health Insurance Premiums, Retiree Health Insurance Credit Premium, VSDP and Long-Term Disability Insurance, Defined Contribution Plan, and Deferred Compensation match Payments) and Vendor approved travel related expenses incurred and submitted in accordance with Commonwealth policies. The calculation of such reimbursement amount for each Managed Employee shall be done in the following manner, depending on the applicable phase of the Agreement. The Commonwealth shall provide to Vendor, such additional supporting documentation that Vendor may reasonably request.

- **Current Operations Phase:** the above referenced Managed Employee costs will not be factored into the Current Operations Phase Fees as described in Section 3.0 of Schedule 10.1 and, therefore, no credit or reimbursement for such costs as incurred by the Commonwealth will be applied against Vendor's invoices for Current Operations Phase Fees. However, such Managed Employee costs will be added to the calculation of the Commonwealth's Retained Costs, less reimbursements received from Vendor for the provision of Transition Services, will be added to the calculation of the Commonwealth's Retained Costs and subtracted from the amount of Fees that Vendor may charge the Commonwealth in that Contract year.
- **Transition Phase:** the above referenced Managed Employee costs have been factored into the Transition Phase Fees as described in Section 4.0 of Schedule 10.1 and, therefore, a reimbursement for such costs as incurred by the Commonwealth in connection with Managed Employees performing Transition Services will be provided by Vendor as follows: (1) The Commonwealth shall provide Vendor with a "fully loaded" hourly rate for each Managed Employee, inclusive of salaries, incentive compensation, benefits (e.g., vacation and holiday accruals, VRS Retirement Contributions, Social Security, Medicare, Group Life, Annual Employer Health Insurance Premiums, Retiree Health Insurance Credit Premium, VSDP and Long-Term Disability Insurance, Defined Contribution Plan, and Deferred Compensation match Payments) by the first of January and the first of July of each Contract Year; (2) No later than the tenth (10th) day of the following month, Vendor shall provide the Commonwealth with a written report setting forth the amount of time each Managed Employee spent performing Transition Services in the preceding month; (3) After receiving Vendor's report, the Commonwealth shall send an invoice to Vendor based on the information described in subsections (1) and (2) above; and (4) within thirty (30) days after receiving such Commonwealth invoice, Vendor shall provide a direct reimbursement payment (by check or electronic funds transfer) to the Commonwealth in the amount of the Commonwealth invoice. Before the end of the first month of each Contract Year in which Transition Services shall be performed, Vendor shall estimate the amount of Transition Services to be provided by Managed Employees during that Contract Year and Vendor shall issue a "purchase order" to the Commonwealth detailing its estimate of such fees. Vendor's purchase order shall be solely for Vendor's administrative convenience and it shall not be considered a limitation on the amount of such fees to be invoiced by the Commonwealth and payable by Vendor.

- **Post-Transition Phase:** the above referenced Managed Employee costs have been factored into the Post-Transition Phase Fees as described in Section 5.0 of Schedule 10.1 and, therefore, a credit for all such costs as incurred by the Commonwealth will be applied against Vendor's invoices for Post-Transition Phase Fees. In the month following actual expenditure by the Commonwealth for such managed Employee costs, the Commonwealth shall receive a credit for the full amount of such costs on Vendor's then current invoice.

All terms, conditions and provisions of the original Agreement, remain unchanged except as specifically noted herein.

The parties have executed this Agreement on the dates indicated below.

Executed by:

Virginia Information Technologies Agency

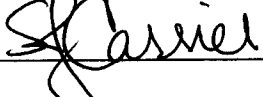
By: 

Name: Fred Duball

Title: SMO Director

Date: 9/19/2006

Northrop Grumman Information Technologies, Inc.

By: 

Name: Julia Carrier

Title: Contracts Manager

Date: 13 Sept 06